

## Message Text

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ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 AEC-11 AID-20 CEA-02 CIEP-02 COME-00

EB-11 FEAE-00 FPC-01 INT-08 OMB-01 SAM-01 SCI-06

STR-08 TRSE-00 DRC-01 /188 W  
----- 095671

R 011230Z JUL 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 0122

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY ZEHRAN

AMEMBASSY LONDON

AMCONSUL ROTTERDAM

C O N F I D E N T I A L KUWAIT 2775

EO 11652: NA

TAGS: EIND, ENRG, BMEP, KU

SUBJ: KUWAIT LUBE OIL AND ASPHALT PLANTS

REF: A) KUWAIT 1379; B) KUWAIT 1576; C) KUWAIT 2643 (ROTTERDAM ONLY)

1. KUWAIT LUBE OIL PLANT PROJECT REPORTED REF A SEEMS HAVE RUN AGROUND ON THE SHOALS OF INTERNAL KUWAITI POLITICS, ESPECIALLY JURISDICTIONAL DISPUTE BETWEEN KUWAIT NATIONAL PETROLEUM COMPANY (KNPC) AND MINISTRY FINANCE AND OIL (MFO) REPORTED REF B.

2. APPARENTLY KNPC DIRECTORS WERE SOMEWHAT LESS THAN PLEASED WHEN THEY LEARNED OF THE PRIVATE PROPOSAL OUTLINED REF A, AND THEY IMMEDIATELY SUGGESTED THAT KNPC BUILD A LUBE-OIL MIXING PLANT, INSTEAD. THE PRIVATE/LUMMUS PROPOSAL WAS AND IS FOR A  
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COMPLETE PLANT, IN EFFECT A SMALL, 6,000 BPD REFINERY, WHICH

WOULD BOTH MANUFACTURE LUBE-OIL BASE STOCK AND MIX FINAL PRODUCT. A SIDE PRODUCT OF REFINERY WOULD BE ASPHALT, WHICH CURRENTLY IN SHORT SUPPLY IN KUWAIT. THE KNPC PROPOSAL IS FOR VERY SIMPLE MIXING PLANT, WITH BASE STOCK TO BE IMPORTED (SUPPLIED BY MOBIL). IN ADDITION, AS REPORTED REF B, KNPC HAS PROPOSAL FOR EITHER 50,000 TON PER YEAR OR 100,000 TYPY ASPHALT PLANT. US FIRM PROCON HAS INSIDE TRACK FOR LATTER PROJECT IF KNPC EVER RECEIVES GREEN LIGHT. AS FINAL ELEMENT OF CONFUSION, KUWAIT OIL COMPANY HAS SUGGESTED THAT PERHAPS FASTEST MEANS EXPANDING KUWAIT'S ASPHALT PRODUCTION WOULD BE EXPAND EXISTING KOC PLANT. FOR HISTORIC AND PERHAPS OTHER REASONS, KOC GENERALLY FAVORED BY MFO.

3. IT IS NOT YET CLEAR HOW MATTER LIKELY BE RESOLVED. PERHAPS MORE THAN ONE PLANT WILL BE BUILT, OR PERHAPS DEADLOCK WILL PERSIST FOR SEVERAL MONTHS AND NONE WILL BE BUILT.

4. THIS IS OFFERED AS STATUS REPORT ONLY. BELIEVE IT BEST AT THIS POINT TAKE NO RPT NO ACTION ALERT US FIRMS. SOON AS SITUATION CLEARS WE WILL REPORT FURTHER, POSSIBLY WITH SUGGESTIONS FOR WAYS IN WHICH OTHER US FIRMS CAN OBTAIN PIECE OF THE ACTION. STOLTZFUS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTION, PETROLEUM REFINING, CONTRACTS, POLITICAL SITUATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974KUWAIT02775  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** DG ALTERED  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740174-0185  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1974/newtext/t19740784/aaaacuko.tel  
**Line Count:** 82  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** A) KUWAIT 1379; B) KUWAIT 1576; C) K, UWAIT 2643 (ROTTERDAM)  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 MAY 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28 MAY 2002 by elyme>; APPROVED <19 FEB 2003 by shawdg>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KUWAIT LUBE OIL AND ASPHALT PLANTS  
**TAGS:** EIND, ENRG, BEXP, KU  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005